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RHFJUSC/US CUSTOMS SERVICE WASHDC PRIORITY

UNCLAS SECTION 01 OF 03 RIYADH 001493

SENSITIVE
SIPDIS

STATE PASS TO USTR FOR CHRIS WILSON, JASON BUNTIN
STATE PASS TO DOC FOR STEVEN GARRETT
DEPT FOR NEA/ARP, EB/TPP/BTA, E FOR U/S ROBERT HORMATS

E.O. 12958: N/A
TAGS: [ETRD](#) [KIPR](#) [ECON](#) [EINV](#) [PREL](#) [SA](#)
SUBJECT: SAUDI IPR WORKING GROUP REPORTS CONTINUED
PROGRESS, STRONG DESIRE FOR TRAINING

REF: A. RIYADH 524
[B](#). RIYADH 575
[C](#). RIYADH 789
[D](#). RIYADH 793
[E](#). RIYADH 982
[F](#). JEDDAH 297
[G](#). RIYADH 1202
[H](#). RIYADH 1366
[I](#). RIYADH 1375
[J](#). RIYADH 1423
[K](#). RIYADH 1425
[L](#). RIYADH 1426
[M](#). RIYADH 1441
[N](#). RIYADH 1459

Summary

[1](#). (SBU) The U.S. - Saudi Arabia Intellectual Property Working Group met via digital video conference (DVC) November 3 to discuss Saudi Arabia's preparations for the upcoming Special 301 Out-of-Cycle Review (OCR). The IPR Committee Chair said AUSTR Chris Wilson's October 16 to 20 visit gave momentum to the Committee's work. The Saudi government representatives emphasized that they are doing their utmost to prepare for the OCR, and highlighted specific progress on copyright protection, government software audits, and patent and data protection. The Saudi representatives reiterated their government's need for USG and industry assistance to bring down piracy rates and expressed strong interest in additional training. Ministry of Culture representatives also forecast a copyright violation case was likely to be referred to the Board of Grievances "very soon," meeting an important USG bench-mark. Saudi officials also provided detailed information about improvements in a number of areas.

[2](#). (SBU) Chairman of the Saudi IPR Committee Mohammad Al-Aiyash, Deputy Minister of Culture and Information Abdulrahman Al-Hazzaa, Saudi Customs Authority Officer Khalil Al-Jihani, Director General of Trademarks and Commercial Agencies Mahmoud Roshdi, and the Director of the Copyright Department attended the DVC on the Saudi side. Representatives from USTR, the Department of Commerce, the U.S. Copyright Office, and the U.S. Patent and Trademark Office attended on the U.S. side.

SAG Eager For Training

[3](#). (SBU) Saudi representatives from several ministries noted that they had not seen invitations for IP-related training in

the past year. USPTO noted that one customs training program had been delayed and eventually canceled due to the high cost of translation services. Several times, Deputy Minister of Culture and Information Al-Hazzaa said that his Ministry would cover translation and lodging expenses for U.S. officials traveling to the Kingdom to conduct training. The Saudis also welcomed any regional training, particularly with other GCC countries, and expressed a strong interest in enforcement and internet piracy training with Dubai's IP officials.

Copyright Protection

¶4. (SBU) Al-Hazzaa discussed his Ministry's copyright enforcement efforts since January. In ten months the Ministry has seized 3.83 million items, conducted 2,000 inspections, posted 529 Violations Review Committee (VRC) cases on the website, and fined two copyright violators the maximum penalty allowed in the VRC. Six to eight inspectors have visited 5,000 vendors, highlighting the Ministry's need for additional inspectors. Regarding a referral of a copyright case from the VRC to the Board of Grievances for deterrent sentencing, Al-Hazzaa said a referral was "coming soon." He explained that the VRC applied the maximum penalty in two recent cases to pave the way for a successful referral to the Board.

¶5. (SBU) Al-Hazzaa lamented that his requests for private sector assistance have not been fulfilled, and reiterated his Ministry's interest in inspector and internet piracy training, as well as assistance with a robust awareness

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campaign. Media industry representatives have told Al-Hazzaa they would have an awareness campaign proposal, including funding, for his consideration by early December. Al-Hazzaa welcomed revitalizing a USPTO copyrights training program, which had been proposed previously but postponed due to staffing changes at the Ministry. Al-Hazzaa offered to cover accommodation expenses for USPTO and USTR officials who travel to the Kingdom for the proposed two day workshop.

Software Audit Progressing

¶6. (SBU) IPR Committee Chairman Mohammad Al-Aiyash described the Commerce Ministry's software audit, which is being conducted by an independent contractor. Microsoft Riyadh has met with the Commerce Ministry's IT department and has acknowledged that the audit meets international standards. The contractor currently is upgrading the Ministry's hardware, and will commence the software audit in the January/February timeframe. The audit should take two months.

¶7. (SBU) Al-Aiyash also noted the Culture Ministry committed to conducting its own audit during AUSTR Wilson's visit. IT managers from the Culture and Commerce Ministries have since met and discussed writing a letter to the King recommending a software audit program for all Ministries. Al-Aiyash said this proposal will carry more weight if both the Commerce and Culture Ministries first complete their respective audits. He also noted it would help if Microsoft provides promised language outlining the benefits of software audits.

Internet Piracy

¶8. (SBU) Al-Hazzaa said that Rotana, Saudi Arabia's largest media company, had recently provided the Culture Ministry with over 100 IP addresses of websites selling pirated DVDs and music. He explained that the Culture Ministry was working with the Ministry of Interior and the Communications and Information Technology Commission (CITC), the Saudi telecom and internet regulator, to develop a procedure for

blocking websites selling pirated material. Al-Hazzaa discussed his Ministry's longer-term, one million SAR e-media project to regulate and license websites by mid-2010. Until the program is launched, the Culture Ministry will continue to cooperate with Rotana.

¶9. (SBU) The Saudis welcomed USPTO's proposal to hold a DVC with the Culture Ministry's copyright office and CITC focused on internet piracy. Al-Aiyash said they had requested a World Intellectual Property Organization (WIPO) legal expert visit Riyadh to advise on staffing and implementation of the treaty, and noted they had good collaboration with WIPO.

Patent and Data Protection

¶10. (SBU) Asked about the recently approved Exclusive Marketing Rights (EMR) agreement, Al-Aiyash said the Saudi Food and Drug Authority (SFDA) had been informed, and that the Ministry of Health, Ministry of Commerce, SFDA, and King Abdulaziz City for Science and Technology (KACST) would meet in November to agree on an implementation strategy for the decree. Asked if the SFDA could fully implement the EMR decree by November 23, Al-Aiyash said he would "try his best." Deputy Minister of Commerce Al-Hamoudi plans to send a copy of the EMR decree to the USG via official letter.

¶11. (SBU) Al-Aiyash said he would confirm up to seven names of attendees for the November 15 to 18 Patent and Trademark Program in Muscat, Oman. (Note: Al-Aiyash sent four nominees to USPTO on November 4 and noted more nominations from KACST's Patent Office were forthcoming. End note.) In response to a 2007 request from KACST, USPTO is organizing an advanced patent program with Arabic translation February 16 to 19 in Washington. Al-Aiyash recommended that KACST attend, and welcomed the availability of Arabic translation. Al-Aiyash also invited PhRMA to co-organize a second Data Exclusivity Workshop with the Ministry of Commerce and Industry in the January 2010 timeframe, which would help SAG officials understand and enforce the regulation.

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GCC Trademark and Trade Secrets Laws

¶12. (SBU) Asked about Saudi Arabia's comments on the Gulf Cooperation Council (GCC) Trademark Law, Al-Aiyash said they studied U.S. FTAs with Bahrain and Oman before submitting their comments. Saudi officials believe USTR may have an earlier draft law, which does not, according to Al-Aiyash, include Saudi Arabia's comments as they were sent in October.

Asked about the GCC Trade Secrets Law, Al-Aiyash said the latest draft law was very extensive and included 5 years of data protection.

Comment

¶13. (SBU) Despite technical difficulties, the overall tone of the DVC was positive and constructive on both sides. The Saudis' repeated offers to cover translation and accommodation costs for U.S. experts traveling to the Kingdom underscore the sincerity of their requests for assistance and the urgency they attach to addressing remaining deficiencies. SAG partnership with industry, such as Rotana and PhRMA, is notable. The USG needs to complement these partnerships with training programs so that continued progress can be made towards the larger goal of deepening our trade relationship with Saudi Arabia.

SMITH